

State of South Dakota

SEVENTY-FOURTH SESSION LEGISLATIVE ASSEMBLY, 1999

546C0514

HOUSE BILL NO. 1100

Introduced by: Representatives Sutton (Daniel), Burg, Chicoine, Crisp, Davis, Diedrich (Larry), Fischer-Clemens, Hanson, Kazmerzak, Lockner, Nachtigal, Weber, and Wilson and Senators Flowers, Dennert, Duxbury, Lawler, Staggers, and Symens

1 FOR AN ACT ENTITLED, An Act to establish the value added agricultural fund, to provide
2 for its disbursement, and to appropriate certain sales and use tax collections to the fund.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. The value added agriculture fund is established in the state treasury for the
5 purpose of making grants or loans for agricultural research, development, feasibility studies, or
6 marketing. Interest earned on money in the fund shall be credited to the fund.

7 Section 2. That § 1-16E-4.2 be amended to read as follows:

8 1-16E-4.2. The board shall administer the beginning farmer bond program, make grants or
9 loans from the value added agriculture fund, and make annual recommendations to the
10 Legislature and Governor on programs to develop and promote ~~agricultural processing activity~~
11 value added agriculture in South Dakota, including the initial or subsequent production, use, or
12 processing of any form of agricultural commodity, product, or by-product in this state. The
13 authority's goal is to facilitate the retention of agricultural commodities and products in this state
14 for the maximum feasible time span during the life cycle, use, or consumption of the commodity
15 or product.

16 Section 3. That § 1-16E-24 be amended to read as follows:

1 1-16E-24. The authority may, pursuant to chapter 1-26, adopt such rules or regulations as
2 it deems necessary or desirable to implement the purposes of this chapter, including, but not
3 limited to:

- 4 (1) Setting forth the procedures for applicants to apply for loans or grants under this
5 chapter;
- 6 (2) Establishing criteria for determining which applicants will receive such loans or grants;
- 7 (3) Governing the use of proceeds of such loans or grants;
- 8 (4) Establishing criteria for the terms and conditions upon which such loans or grants
9 shall be made, including the terms of security given, if any, to secure such loans;
- 10 (5) Governing the use of proceeds by lenders of funds advanced to such lenders by the
11 authority including the terms and conditions upon which such proceeds shall be
12 loaned to borrowers for the purposes described in this chapter.

13 Section 4. Administrative expenses for making grants or loans from the value added
14 agriculture fund may not exceed ten percent of the value added agriculture fund's annual revenue.

15 Section 5. The revenue from the tax imposed by chapters 10-45 and 10-46 on the following
16 services enumerated in the Standard Industrial Classification Manual, 1987, as prepared by the
17 Statistical Policy Division of the Office of Management and Budget, Office of the President:

- 18 (1) Trucking and courier services, except air (group no. 421) except collection and
19 disposal of solid waste;
- 20 (2) Veterinarian services (group no. 074) and animal specialty services, except veterinary
21 (industry no. 0752); and
- 22 (3) Certain auction sales defined in section 6 of this Act;
23 shall be deposited in the value added agriculture fund.

24 Section 6. Auction sales mean any sales and use tax collections from a public auction held
25 for the purpose of disposing of tangible personal property of an individual, such as auction sales

1 of farmers or householders selling farm equipment and household goods.